

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3689 - SB 3616

March 2, 2010

SUMMARY OF BILL: Authorizes local governments to assess a \$1.60 pre-disposal fee on each new tire sold in lieu of the current state fee of \$1.35 if approved through ordinance or resolution by a two-thirds vote.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$4,156,500/Waste Management Fund

Increase Local Revenue - \$4,926,200/Permissive

Assumptions:

- According to the Department of Revenue, fee revenue to the state for tire disposal was approximately \$5,542,000 in FY08-09.
- The state fee was assessed upon approximately 4,105,185 tires ($\$5,542,000 / \1.35).
- The number of tires remains constant in subsequent years under current law.
- The number of local governments that will elect to authorize a higher pre-disposal fee is unknown. Given that passage of this law would authorize local governments to generate additional revenue, it is assumed that 75 percent of local governments would elect by passing the appropriate resolution.
- Any adopted resolution will effectively shift tire disposal revenue from the state to local governments. Therefore, a decrease to state revenue of \$4,156,500 ($\$5,542,000 \times 75\%$); and an increase to local government revenue of \$4,926,222 [$(4,105,185 \times 75\%) \times \1.60].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

/agl

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